

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
NATIONAL VALUATION CONDITION (VC) SHEET

**NOTE TO THE HOMEBUYER:** THE VALUATION CONDITION (VC) SHEET IS FOR FHA USE ONLY AND NOT TO BE CONSIDERED AS AN FHA INSPECTION. IT IS NOT TO BE ASSUMED ALL PROBLEMATIC CONDITIONS WERE FOUND OR CORRECTED. FHA ENCOURAGES PURCHASERS TO HIRE A PRIVATE HOME INSPECTION SERVICE TO MAKE THE DETERMINATION THAT THE HOUSE IS ACCEPTABLE TO THEM.

FHA Case No. \_\_\_\_\_ Date \_\_\_\_\_

Appraiser \_\_\_\_\_ State License No. \_\_\_\_\_

Property Street Address \_\_\_\_\_

City-State-Zip \_\_\_\_\_

**LOCATION-PROPERTY ANALYSIS**

____ Location and Property Acceptable	____ Location Acceptable/Property Rejected (See VC-12)
____ Location 223E/Property Acceptable	____ Location 223E/Property Rejected (See VC-12)
____ Location Rejected (See VC-12)	____ Location and Property Rejected (See VC-12)

**THE FOLLOWING CIRCLED CONDITIONS ARE HEREBY MADE A PART OF THE CAPTIONED DIRECT ENDORSEMENT STATEMENT OF VALUE. THE PURPOSE IS TO COMPLY WITH HUD HANDBOOK 4150.1, REV-1 PARAGRAPHS 5-10 THROUGH 5-12, AND 4905.1, REV-1.**

ALL REPAIRS MUST BE COMPLETED IN A PROFESSIONAL MANNER, IN COMPLIANCE WITH HUD'S GUIDELINES AND SATISFIED PRIOR TO CLOSING.

**VC-1 STRUCTURAL DEFECTS**

Structural deficiencies noted in the \_\_\_\_ foundation \_\_\_\_ floor support system, \_\_\_\_ framing \_\_\_\_ roof. Provide a report from a registered engineer regarding the cause and proposed correction. When proposed corrective measures are completed, the engineer must certify that the recommended repairs have been completed and all deficiencies have been acceptably corrected.

**VC-2 ATTIC - BASEMENT - CRAWL SPACE**

- A. Provide \_\_\_\_ access \_\_\_\_ adequate ventilation to the \_\_\_\_ attic \_\_\_\_ crawl space. (After access has been provided additional repair items may be required)
- B. Submit evidence from a licensed waterproofing specialist or licensed home inspector that the condition(s) causing wet basement and/or crawl space has been corrected. Describe affected area:
- \_\_\_\_\_

**VC-3 GRADING AND DRAINAGE**

Regrade the lot to provide positive drainage away from the perimeter walls of the house.

**VC-4 MECHANICAL SYSTEMS**

- A. The following utilities were turned off at time of appraisal.  
\_\_\_\_ water \_\_\_\_ gas \_\_\_\_ electric  
The appraiser is required to revisit the property after these utilities are connected. Additional conditions may be required at the time the appraiser revisits the property.
- B. Submit evidence from a licensed home inspector that the \_\_\_\_ system(s) are in safe operating condition. This evidence is required because:
- \_\_\_\_\_
- \_\_\_\_\_

**VC-5 PRIVATE ROAD ACCESS AND MAINTENANCE**

Submit evidence that (name of road) \_\_\_\_\_ is protected by a permanent recorded easement (non-exclusive, non-revocable roadway, driveway easement without trespass from the property to a public street/road) and that there is an acceptable maintenance agreement recorded on the property.

**VC-6 WELL, INDIVIDUAL WATER SUPPLY AND SEPTIC**

- A. Submit evidence that the subject property is connected to public  
\_\_\_ water \_\_\_ sewer.

**NOTE:** Connection must be made to public or community water/sewage disposal system whenever feasible, i.e., feasibility relates to the distance to connect not the cost.

- B. Provide acceptable \_\_\_ bacteriological test, \_\_\_ organic test, or any other test required by the State or local HUD office/HOC to determine the acceptability of the private water system. See ML 95-34
- C. Provide evidence that the private sewer system is acceptable to the local health department.

**VC-7 LEAD BASE PAINT HAZARD**

Correct all defective paint surfaces for homes built before 1978, all paint chips must be removed in accordance with 24 CFR, Part 35.

**VC-8 ROOFING**

Replace existing roof with appropriate roofing material. Installation must comply with local acceptable building practice, or local building codes.

**VC-9 CONDOMINIUMS AND PLANNED UNIT DEVELOPMENTS (PUD) (FHA and VA)**

- A. This project is on FHA's approval list or accepted through reciprocity.  
\_\_\_\_\_ Condominium \_\_\_\_\_ PUD
- B. The unit is a spot loan.

**NOTE:** For all condominiums, the lender shall submit certification from the Condominium Association or Management Firm that the condominium ownership is 51% or greater prior to closing the loan. The certification shall be dated within 60 days of the closing date. Also, spot loan binders must be documented in accordance with Mortgage Letter 96-41.

**VC-10 PROPOSED CONSTRUCTION/UNDER CONSTRUCTION OR PROPERTIES LESS THAN ONE-YEAR OLD.**

- A. If any portion of the property (everything within the legal boundaries of the site) is located in a FEMA 100-year floodplain, the property is not eligible for FHA insurance.
- B. The covered multifamily dwelling is not in compliance with handicapped accessibility requirements under Section 804(f)(3)(c) of the Fair Housing Amendments Act of 1988.

**NOTE:** A covered multifamily dwelling is a unit in a building consisting of 4 or more dwelling units if such building has one or more elevators; and ground floor dwelling units in other buildings consisting of 4 or more dwelling units.

**VC-11 WOOD INFESTATION AND SOIL POISONING**

- A. Structure is ground level, or is a total wood structure. A recognized termite control operator shall furnish certification using form NPCA-1, or State-mandated form, that the house and other structures within the legal boundaries of the property indicate no evidence of active termite infestation and any damage having resulted from previous infestation has been repaired.
- B. Structure is not ground level. No inspection required
- C. Structure located in a geographic area with no active termite infestation. No inspection required.

**VC-12 OTHER REPAIR/CONDITION ITEMS SEEN BY APPRAISER NOT PREVIOUSLY LISTED.**

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Please give number of attached pages with further explanation # \_\_\_\_\_

\_\_\_\_\_  
APPRAISER'S SIGNATURE

\_\_\_\_\_  
DATE